

Why Would a Community Want to Establish a DDA?

The DDA financing mechanism allows for the capture of the incremental growth of local property taxes over a period of time to fund public infrastructure improvements. A community can capture property taxes which would have otherwise been paid to entities such as the library, community college, and county, and instead use them for public improvements in targeted area. By borrowing against the future tax increments, the DDA is able to fund large-scale projects, which can lead to new development opportunities within the downtown.

In addition to the financing mechanism, the DDA structure results in the creation of a public board dedicated solely to the improvement of the downtown.